



GOODHUE COUNTY MINNESOTA

TO EFFECTIVELY PROMOTE THE SAFETY, HEALTH, AND WELL-BEING OF OUR RESIDENTS

Economic Development Authority
County Board Room- Government Center
509 West 5th St.
Red Wing, MN 55066

Tuesday, June 7, 2016
3:30 p.m.

1. Call To Order
2. Motion To Elect Chair
3. Motion To Elect Vice Chair
4. Motion To Appoint Members Of The County Board To The Board Of EDA
5. Motion To Appoint The County Attorney As The Attorney Of The EDA
6. Motion To Appoint Finance Director As The Treasurer Of The EDA
7. Motion To Appoint EDA Member To The Revolving Loan Fund Committee
8. Review & Approve The EDA Board Meeting Agenda
9. Review & Approve The Previous Board Meeting Minutes
Documents: [DECEMBER 15.PDF](#)
10. Tax Abatement Application- Zumbrota Veterinary Clinic
Documents: [ZBTA VET CLINIC BINDER.PDF](#)
11. EDA Summit
12. Adjourn



GOODHUE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY

Tuesday, December 15, 2015
Goodhue County Board Room
Red Wing, MN 55066

Present: Commissioners: Brad Anderson, Ted Seifert, Ron Allen, Dan Rechtzigel.
Jason Majerus

EDA Members: Dan King

Meeting was called to order by C/ Rechtzigel

Moved by C/Seifert, seconded by C/Anderson, motion carried to approve the agenda.

Moved by C/Anderson, seconded by C/Majerus to approve the minutes.

Sub-Committee Report

R. Ziegler indicated that the sub-committee reviewed the documents prepared by the state for reporting requirements. Action was taken to officially write off the Gallied Poured Walls, \$3400.

It was discussed that there is new money available for the revolving loan fund, approximately \$178,000 has been paid back and can be used. Discussion also took place on how to get that word out to City EDA's and Port Authority.

Summit Evaluation

R/Ziegler reviewed the summary document that was distributed. The biggest question the timing of the event, early in the morning or late in the day. The most recent one was 3 hours long. DC/Rechtzigel suggested that maybe if it was broken down into more opportunities for less time the attendance would be better. Possibly - 1 ½ hour breakfast sessions and have 1 or 2 speakers instead of a 3 hour session.

Suggestion was also made to consider one for existing companies and one specifically for workforce.

EDA Board Appointment

The EDA Board is in need of a replacement for Patricia Anderson. C/Anderson stated that John Peterson who owns Ferndale Market and farms is interested in filling that position as a lay member. He just finished up as chairman of the Chamber of Commerce and is active in the EDA for Cannon Falls.

Motion by C/Anderson, C/Allen second, motion carried to appoint John Peterson to the EDA Board.

2016 CEDA Service Contract

Motion by C/Anderson, C/Allen second, motion carried to approve the 2016 CEDA Service Contract.

EDA Budget

Motion by C/Seifert, second by C/Anderson to approve the 2016 EDA Budget.

*Moved by C/Anderson, seconded by C/Seifert, and carried to approve adjourn the December 15, 2015
EDA Board Meeting.*

Respectfully Submitted,
Scott Arneson
Executive Secretary



Goodhue County Economic Development Authority

Goodhue County Government Center
509 W. 5th St.
Red Wing, MN



Phone: Ron Zeigler – 651-764-4342

Email: ron.zeigler@cedausa.com

June 2, 2016

To: Goodhue County EDA Commissioners

From: Ron Zeigler, CEDA

RE: Zumbrota Vet Clinic Business Subsidy/Tax Abatement Application

Attached please find a Business Subsidy/Tax Abatement Application from the Zumbrota Vet Clinic in regards to a proposed expansion in Zumbrota. The proposed public hearing notice is also included as well as a draft of a Resolution that the Board can consider should it wish to move this application favorably forward.

I will not be in attendance in person for the Goodhue County EDA Board Meeting but I will be attending via phone.

Please let me know if you have any questions or if there is additional information that I can provide to you.

Thanks!

COUNTY OF GOODHUE

STATE OF MINNESOTA

NOTICE OF PUBLIC HEARING

APPROVAL OF PROPERTY TAX ABATEMENT

NOTICE IS HEREBY GIVEN that the County of Goodhue, Minnesota will hold a public hearing on Tuesday, June 21, 2016 at 9:00 a.m. at the Goodhue County Board Room, 509 W 5th Street, Room 310, Red Wing, MN, relating to the use of property tax abatement for the purpose of funding up to \$70,000; \$35,000 from Goodhue County and \$35,000 from the City of Zumbrota, of improvement costs associated with the development of the Zumbrota Veterinary Clinic, pursuant to Minnesota Statutes, Section 469.1812 to 469.1815, inclusive, as amended. The tax abatement will be collected over a period of no more than 15 years, commencing in January 1, 2018. The following tax parcels are proposed to be included in the proposed tax abatement.

Parcel ID # 72.389.0050

Copies of the Abatement Resolution as proposed to be adopted will be on file and available for public inspection at the office of the County Administrator.

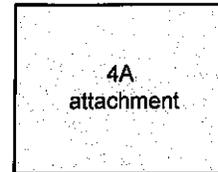
All interested persons may appear at the hearings and present their view orally or in writing.

June 7, 2016

BY ORDER OF THE COUNTY BOARD
Scott Arneson
County Administrator

469.1813

ECONOMIC DEVELOPMENT ABATEMENT GOODHUE COUNTY, MN



1. General Purpose and Objectives

Goodhue County is committed to the enhancement of the economic and community vitality of the County. As a tool to meet these goals, Goodhue County will, on a case-by-case basis, give consideration to providing Economic Development Abatements as stimulation for economic development and redevelopment in Goodhue County. Nothing herein shall imply or suggest that Goodhue County be under any obligation to provide Economic Development Abatements to any applicant. Goodhue County reserves the right to approve or reject projects on a case-by-case basis, taking into consideration established policies, project criteria, and demand on County services in relation to the potential benefits from the project. Meeting policy criteria does not guarantee the award of an Economic Development Abatement to the project. Approval or denial of one project is not intended to set precedent for approval or denial of another project. It is the intent of Goodhue County to provide the minimum amount of Economic Development Abatement dollars, as well as other incentives, for the shortest term required for the project to proceed. This policy is derived from Minnesota Statutes 469.1812 to 469.1815.

2. Economic Development Abatements

A reduction of part of or all of the county's tax levy on a specified property as an incentive for economic development as authorized by MS 469.1812 to 469.1815.

3. Restrictions for Economic Development Abatements:

- a. Before a Business Subsidy is considered for any project or property, it and all of the owners must be in compliance with all Goodhue County ordinances, tax payments, or any other legal or financial obligations to Goodhue County. In addition, Goodhue County can review the status of other properties owned by the owners outside of Goodhue County.
- b. The benefits to the County must be at least equal to the costs of the Economic Development Abatements.
- c. The County Board must also find that the Economic Development Abatement action is in the public interest because the tax abatement will meet at least one of the following criteria:
 - Increase or preserve tax base
 - Provide employment opportunities in the county
 - Provide, acquire, or construct public facilities
 - Redevelop or renew blighted areas, or
 - Provide access to services for county residents; or

Goodhue County will not finance or use Economic Development abatement for retail business or market rate housing. The use of Economic Development abatement for housing would be considered if the project was to assist in worker based housing defined as meeting the low to moderate income threshold.

3.1 Duration and Other Restrictions

The Economic Development Abatement on a parcel of property may be granted for up to 15 years for each taxing entity (8 year maximum if no initial duration is specified) or 20 years if one taxing jurisdiction does not participate. If an abatement has been granted to a parcel of property and the period of the abatement has expired, the political subdivision that granted the abatement may not grant another abatement for eight years after the expiration of the first abatement. Taxes may be reimbursed on the entire Net Tax Capacity of a parcel including land or any area wide fiscal disparities tax. Goodhue County intends to restrict the abatement to new value that has not previously generated tax and was created by the project. Property in a Tax Increment Financing District is not eligible for Economic Development Abatement.

3.2 Limitations on Amount

In any given year, the total amount of property taxes abated by Goodhue County for economic development may not exceed the limit determined by the Goodhue County Board. This amount can be no more than that allowed by Statute (ten percent of the subdivision's current levy or \$200,000, whichever is greater).

The County may limit the amount of individual Economic Development Abatements to the following:

- To a specific dollar amount per year or in total
- To the increase in tax capacity resulting from improvement of the property
- To the increases in tax capacity resulting from increases in the market value or changes to the tax capacity rate of the property
- To an amount equal to or less than the local taxing jurisdiction for a given project. This does not include equal to or less than the local school district.

3.3 County Limitation on Economic Development Abatements.

Economic Development abatements are limited by Statute to ten percent of the taxing authority's annual current levy or \$200,000 whichever is greater. The Goodhue County Board will impose a more restrictive limit as described in Section 3.3. No economic development tax abatement will be paid if the property taxes on the parcel have not been paid on a timely basis - no later than December 31st of the year in which the tax is first due. In other words, Economic Development Abatement assistance will be provided to the developer upon receipt of taxes by the County otherwise referred to as the pay-as-you-go method.

3.4 County Policy on Economic Development Abatements Bonds. Although the Statute allows the County to issue bonds to fund approved Economic Development Abatements,

Goodhue County declines to issue bonds for this purpose unless the bonds relate to County initiated projects on County or County EDA property.

4. Criteria for Economic Development Abatements.

In considering whether or not the county board should approve Economic Development Abatements for a specific project, the following will be considered, in addition to the statutory and County restrictions listed above. These points will be specifically defined in an Economic Development Agreement between Goodhue County and the Developer:

- a. Equal consideration will be given to both existing business expansion and new businesses locating in the county.
- b. The extent that the use of Economic Development Abatements would create an unfair and significant competitive financial advantage over existing projects in the area.
- c. The extent that the developer is able to demonstrate a market demand for a proposed project.
- d. Economic Development Abatements will not be used in circumstances where land and/or property price is in excess of fair market value.
- e. The extent to which the project increases county costs for road construction, traffic control, law enforcement, human services and other budgetary items.
- f. The extent to which other levels of local government are in support of the project. The County Board shall, prior to their consideration, receive a resolution from all other taxing jurisdictions from which the applicant intends to seek Economic Development Abatement funds to determine how these entities will be providing Economic Development abatements for the project.
- g. The extent to which other public assistance is provided to the project. The County abatement will not exceed other local abatements excluding the local school districts. Goodhue County will give higher consideration to those projects that have local and school abatement support.
- h. The nature and type of the new development.
- i. Redevelops area that has experienced blight or contamination as described in M.S. 469.174, Subd. 10, 10a, 16; and/or Brownfields remediation and environmental cleanup. For this purpose, the term "brownfields" is defined as abandoned, idled or under-used industrial or commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination.
- j. If the Economic Development Abatements will be used to facilitate the relocation of commercial or industrial enterprises within the County, the effects of the relocation on the former neighborhood will be considered and analyzed.
- k. The proposal must include property identification numbers or legal descriptions and must be an existing parcel of record.
- l. The extent, to which the project adds to, diversifies or preserves the county's net commercial, industrial or general tax base.
- m. The project must be consistent with the County's Comprehensive Plan, Land Use Plan, Zoning Ordinance, and Transportation Plan.
- n. The extent that Economic Development Abatements will result in development on sites which would not otherwise be developed.
- o. The developer shall demonstrate that the project is not financially feasible but-for the use of Economic Development abatements. This requirement must include Economic Development abatements and all other Sources of Funds from other government jurisdictions, private sector and non-profit organizations.

4.1 Goodhue County requires that an Economic Development Agreement be completed for each Economic Development Abatement project. Recommendations of the County EDA will be the basis of the Agreement. The Agreement will contain specific language regarding the following items:

- a. A base application fee of \$1000 will be charged at the time the application is formerly submitted. After an initial analysis of the project, the County may propose a fee for administrative and investigative work on the project. The County may deduct administrative fees from the abatement during the life of the project, if so outlined at the beginning of the project.
- b. A cash equity investment by the developer will be determined through analysis of the project by an EDA recommendation.
- c. The developer must provide adequate financial guarantees to ensure completion of the projects, including, but not limited to: assessment agreements, letters of credit, and personal guaranties, etc.
- d. The Developer shall adequately demonstrate, to the County's sole satisfaction, an ability to complete the proposed project based on past development experience, general reputation, and credit history, among other factors, including the size and scope of the proposed project.
- e. For the purposes of underwriting the proposal, the developer shall provide any requested market, financial, environmental, or other data requested by Goodhue County or its consultants, at a cost to be paid by the Developer.
- f. The Economic Abatement will not be transferable to another party without County Board of Commissioners approval.
- g. Uniform Recapture of Benefits Policy.
 - Imposition of any recapture is at the sole discretion of the taxing authority and is considered on a case-by-case basis, and will be stated in each Economic Development Agreement. Reasons for recapture of the abatement benefits, interest, and penalties include:
 1. Sale or closure of the facility and departure of the company from the jurisdiction
 2. Significant change in the use of the facility and/or the business activities of the company.
 3. Significant employment reductions not reflective of the company's normal business cycle and/or local and national economic conditions.
 4. Failure to comply with annual reporting requirements.
 5. Significant departure from the goals of the project.

SUBSIDY AGREEMENT & REPORTING REQUIREMENTS

Business Subsidy

Economic Development Abatement is a business subsidy, as defined in MS 116J.993 to 116J.995, and is subject to the reporting requirements under that law as summarized below.

All developers/businesses receiving Economic Development abatement assistance shall enter into a *Subsidy Agreement* with Goodhue County that identifies: the reason for the subsidy, the

public purpose served by the subsidy, and the goals for the subsidy, as well as other criteria set forth by statute 116J.993.

The developer/business shall file a report annually for two years after the date the benefit is received or until all goals set forth in the application and performance agreement have been met, whichever is later. Reports shall be completed using the format drafted by the State of Minnesota and shall be filed with Goodhue County no later than March 1 of each year for the previous calendar year. Applicants fulfilling job creation requirements must file a report to that effect with the Goodhue County within 30 days of meeting the requirements.

The developer/business owner shall maintain and operate its facility at the site where Economic Development Abatement assistance is used for a period of five years after the benefit is received.

In addition to attaining or exceeding the jobs and wages goals set forth in the *Subsidy Agreement*, the borrower shall achieve at least one of the criteria set forth in each of Sections 3.1 A and 3.1 B of this document.

Developers/Businesses failing to comply with the above provisions will be subject to fines, repayment requirements, and be deemed ineligible by the State to receive any loans or grants from public entities for a period of five years. Costs will be assessed against the property.

APPLICATION PROCESS FOR ECONOMIC DEVELOPMENT ABATEMENTS

The developer will submit a completed application with any requested information to the Goodhue County Administration Office. The Administrator and Auditor/Treasurer will make an initial assessment of the application and may request other data, or request input from other County departments depending on the scope of the project. The developer will present his/her project and application to the Goodhue County Economic Development Authority at a scheduled meeting of that body. A report from the Administrator and/or Auditor/Treasurer will also be submitted. If the County EDA denies the application, the process is ended. If the County EDA approves, a public hearing is scheduled with appropriate notice. The County Board will hold the public hearing and make the final decision on approval or denial of the project.

1. Applicant submits the completed application along with a base application fee of \$1000.
2. County staff reviews the application.
3. If the application is complete, the application is placed on the agenda of the Goodhue County EDA.
4. The EDA recommends approval or denial of the proposal to the County Board, including recommendations for an Economic Development Agreement.
5. Staff completes all necessary notices, resolution and certificates.
6. Public notification and hearing is held prior to the County Board considering the abatement.
7. The County Board grants final approval or denial of the proposal. If approved, a Economic Development Agreement is completed.

APPLICATIONS TO OTHER POLITICAL SUBDIVISIONS

To avoid unnecessary delays, it is recommended that applicants intending to seek Economic Development Abatements from other authorized jurisdictions make their applications to those bodies prior to their application to Goodhue County. For more information on applying for Economic Development abatements through Goodhue County and/or other taxing jurisdictions, contact:

Goodhue County Government Center

APPLICATION FOR TAX REBATE FINANCING

APPLICANT INFORMATION

Name of Corporation/Partnership ZUMBROTA VETERINARY CLINIC
Address 1412 NORTHSTAR DR. ZUMBROTA, MN 55992
Primary Contact PAN NIETZ, DVM
Address SAME
Phone (507) 732-7301 Fax (507) 732-5714 Email dmnietz@zumbrotavet.com

On a separate sheet, please provide the following:

- Brief description of the corporation/partnership's business, including history, principal product or service, etc. Attach as **Exhibit A**.
- Brief description of the proposed project. Attach as **Exhibit B**.
- List names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership. (both current and planned owners in the project) **Attach as Exhibit C**.
- A *but-for* analysis and narrative. **Attach as Exhibit D**.

Attorney Name _____
Address _____
Phone _____ Fax _____ Email _____

Accountant Name DAVID ZIMMERMAN CPA
Address 51 W THIRD ST ZUMBROTA, MN 55992
Phone _____ Fax _____ Email _____

Contractor Name MIKE BENIKE / ALVIN BENIKE, INC.
Address 2960 HIGHWAY 14 W ROCHESTER, MN 55901
Phone 507. 288. 6575 Fax 507. 288. 0116 Email mikeb@benike.com

Engineer Name _____
Address _____
Phone _____ Fax _____ Email _____

Architect Name CORNERSTONE DESIGNS, INC. / JULIE PRAYS
Address 40455 Co. 8 BLDG ZUMBROTA, MN 55992
Phone (507) 824-2838 Fax _____ Email cornerstonedesign@frontier.com

PROJECT INFORMATION

1. The project will be:

- Industrial: New Construction Expansion Redevelopment / Rehab.
- Office/research facility that conforms to business park standards
- Commercial Redevelopment/Rehabilitation/Development
- Retail
- Other

2. In addition to Goodhue County, applicant is requesting Economic Development Abatement funds from:

City of: ZUMBONA
School District: _____

3. The project will be: Owner Occupied Leased Space

- If leased space, please attach a list names and addresses of future lessees and indicate the status of commitments or lease agreements. Include rental rates, terms, and length of lease. **Attach as Exhibit E.**

4. Project Address _____

- Include Legal Description and PID Number. **Attach as Exhibit F**

5. Site Plan and Floor Plan (foot print) Attached: Yes No

6. Total Amount of ECONOMIC DEVELOPMENT ABATEMENTS Requested:

\$ _____ over _____ years.

City Portion of Economic Development Abatements: Annual \$ _____ Total \$ _____

County Portion of Economic Development Abatements: Annual \$ _____ Total \$ _____

ISD _____ Portion of Economic Development Abatements: Annual \$ _____ Total \$ _____

Township Portion of Economic Development Abatements: Annual \$ _____ Total \$ _____

7. Current Real Estate Taxes on Project Site: \$ _____

Estimated Real Estate Taxes upon Completion: Phase I \$ _____
Phase II \$ _____

8. Construction Start Date: SUMMER 2016
Construction Completion Date: JANUARY 2017
If Phased Project: _____ Year _____ % Completed
_____ Year _____ % Completed

PUBLIC PURPOSE

It is the policy of Goodhue County that the use of Economic Development abatements should result in a benefit to the public. Please indicate how this project will serve a public purpose.

Job Creation: Number of existing jobs 5
 Number of FTE jobs created by project 1-3
 Average hourly wage of jobs created* \$15
 * attach a position specific hourly wage
 Minimum hourly wage of jobs created _____
 Minimum benefits provided to all employees _____

New industrial or, commercial, which will result in additional private investment in the area.

Enhancement and/or diversification of the County's economic base.

The project contributes to the fulfillment of Goodhue County's Economic Development Strategic Plan Comprehensive Plan, Transportation Plan and Land Use Ordinance.

Removal of blight.

Rehabilitation of a high profile or priority site.

Finance or improve public infrastructure; or

Other: _____

SOURCES & USES

<u>SOURCES</u>	<u>NAME</u>	<u>AMOUNT</u>
Bank Loan	<u>BANK OF ZUMBATA</u>	\$ <u>603,485</u>
Other Private Funds		\$ _____
Equity	<u>1412 NORTHSTAR</u>	\$ <u>140,000</u>
Fed Grant/Loan		\$ _____
State Grant/Loan		\$ _____
EDA Micro Loan		\$ _____
Tax Abatement Financing	<u>ZUMBATA / GUDINE Co.</u>	\$ <u>70,000</u>
ID Bonds		\$ _____
Other		\$ _____
TOTAL		\$ <u>813,485</u>

*****Please include loan terms also, including interest rates, payment and amortization schedule, etc.**

<u>USES</u>	<u>AMOUNT</u>
Land Acquisition	\$ <u>50,000</u>
Site Development	\$ <u>35,300</u>
Construction	\$ <u>613,985</u>
Machinery & Equipment	\$ _____
Architectural & Engineering Fees	\$ <u>44,200</u>
Legal Fees	\$ _____
Interest During Construction	\$ _____
Debt Service Reserve	\$ _____
Contingencies	\$ <u>70,000</u>
Other	\$ _____
TOTAL	\$ <u>813,485</u>

ADDITIONAL DOCUMENTATION

Applicants may be required to provide the following documentation.

- A) Written business plan, including a description of the business, ownership/management, date established, products and services, and future plans
- B) Financial Statements for Past Two Years
 - _____ Profit & Loss Statement
 - _____ Balance Sheet
- C) Current Financial Statements
 - _____ Profit & Loss Statement to Date
 - _____ Balance Sheet to Date
- D) Future Financial Projections
- E) Personal Financial Statements of all Major Shareholders
 - _____ Profit & Loss
 - _____ Current Tax Return

- F) Letter of Commitment from Applicant Pledging to Complete During the Proposed Project Duration
- G) Letter of Commitment from the Other Sources of Financing Stating Terms and Conditions of their Participation in Project
- H) Debt schedules for all loans applicable to the project.

The undersigned certifies that all information provided in this application is true and correct to the best of the undersigned's knowledge. The undersigned authorizes Goodhue County to check credit references and verify financial and other information. The undersigned also agrees to provide any additional information as may be requested by the County after the filing of this application.

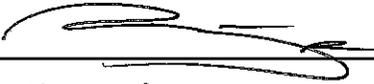
Applicant Name  Date 5/12/08
By PAVEL M. NIETZ, PM
Its OWNER

EXHIBIT A
Description of the corporation or partnership

EXHIBIT B
Description of the proposed project

EXHIBIT C
Names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership.

EXHIBIT D
But-for analysis

EXHIBIT E
Prospective Lessees

EXHIBIT F
Legal Description and PID Number

ECONOMIC DEVELOPMENT ABATEMENT PROPOSAL REVIEW WORKSHEET

TO BE COMPLETED BY COUNTY STAFF

Does the project meet the following qualifications?

- a) Meets all the statutory restrictions
- b) Demonstrates need for Economic Development Abatements with the *but-for* analysis.
- c) Consistent with all Goodhue County plans and ordinances.
- d) Does not violate any provisions of this Abatement Policy
- e) Has Economic Abatement Agreements in place with the city/township
- f) Has Economic Abatement Agreement in place with the school district

1. Ratio of Private to Public Investment in Project:

\$ _____ Private investment
\$ _____ Public Investment
\$ _____ Ratio: Private : Public Financing

2. Job Creation in Goodhue County:

_____ Number of new FTE jobs as a result of the project.
_____ Number of FTE retained jobs at risk without project
_____ Total

3. Likelihood that the project will result in unsubsidized, spin-off development.

Yes _____ No _____

4. The project will provide a _____ service/business to its host community.

Essential (acquire or retain vital community business or service)
Complementary (will enhance/strengthen current business/services)
Competitive (will damage current business/services)

5. Type of Project:

_____ 100% Owner Occupied
_____ Mix Owner Occupied & Investment
_____ Investment (tenant-occupied) Property

Exhibit A – a brief description of the corporation:

The Zumbrota Veterinary Clinic is a full-service companion animal veterinary clinic and hospital serving Zumbrota and the surrounding area. The business has a long history in Zumbrota, dating back to the 1950s. Originally functioning as a mixed-animal practice, the clinic has evolved to providing services strictly for companion animals for the past 6 years. Our current facility was built in 1974. We have outgrown the capabilities of this building, and hope to enhance the level of services provided and accessibility to our current and future clients with the construction of a new facility.

Exhibit B – a brief description of the proposed project:

The proposal is to construct a new, larger, and more efficient clinic in the Jacobson commercial park in Zumbrota, close to the junction of highways 58 and 52. Efficiencies gained will be in the areas of both client flow and energy use.

The project as proposed is approximately 4,857 square feet with 1,718 sf lower level with storage and conference room, 2,654 sf main floor and 485 sf second story with office space and break room.

This is a significant increase from the current facility which is about 2,000 square feet.

According to the Goodhue County Assessor's Office, this project as proposed will have an estimated market value (EMV) range of \$680,000 – \$775,000. This is also a significant increase from the current EMV of \$193,100.

Exhibit C – Names of officers or shareholders/partners with more than 5% interest in the corporation/partnership:

Shareholders: Daniel M. Nietz, DVM – 100% ownership.

Exhibit D – a narrative outlining the “but/for” analysis to show that the assistance is needed for you to move forward:

The financing package as outlined by the Bank of Zumbrota requires the additional input of \$70,000 of equity for the project to proceed. If not for the assistance provided by the City and County in the form of tax abatement, the project would not be able proceed as planned.

SAMPLE - BUT-FOR ANALYSIS

	WITH NO TAX ABATEMENT FINANCING			WITH TAX ABATEMENT FINANCING		
	SOURCES AND USES			SOURCES AND USES		
	SOURCES			SOURCES		
Mortgage			9,600,000			8,667,000
Equity			2,400,000			2,400,000
Tax Abatement Financing			0			933,000
TOTAL SOURCES			12,000,000			12,000,000
Include loan terms, interest rate, payment schedule, etc.	USES			USES		
	Land		1,500,000			1,500,000
	Site Work		300,000			300,000
	Soil Correction		468,000			468,000
	Demolition		100,000			100,000
	Relocation		65,000			65,000
	Subtotal Land Costs		2,433,000			2,433,000
	Construction		6,750,000			6,750,000
	Finish Manufacturing		250,000			250,000
	Subtotal Construction Costs		7,000,000			7,000,000
	Soft Costs		350,000			350,000
	Taxes		35,000			35,000
	Finance Fees		850,000			850,000
	Project Manager		542,000			542,000
	Developer Fee		540,000			540,000
Contingency		250,000			250,000	
Subtotal Soft Costs		2,567,000			2,567,000	
TOTAL USES		12,000,000			12,000,000	
	Income Statement			Income Statement		
	Sq. Ft.	Per Sq. Ft.		Sq. Ft.	Per Sq. Ft.	
Rent-Space 1	100,000	\$8.00	800,000	100,000	\$8.00	800,000
Rent-Space 2	25,000	\$8.50	212,500	25,000	\$8.50	212,500
Rent-Space 3	25,000	\$9.00	225,000	25,000	\$9.00	225,000
Other	0	\$0.00	0	0	\$0.00	0
			1,237,500			1,237,500
Mortgage			20 Term 9.00% Interest 9,600,000 Principal			20 Term 9.00% Interest 8,667,000 Principal
			1,051,646			949,439
Net Income			185,854			288,061
Total Return on Equity			7.74%			12.00%

This document was approved/amended by the Goodhue County Board of Commissioners on

_____.

Goodhue County Board Chair

Date

ATTEST:

Scott Arneson, Administrator

Date

RESOLUTION AUTHORIZING TAX ABATEMENT OF PROPERTY WITHIN GOODHUE
COUNTY FOR THE PURPOSE OF ASSISTING THE NEW CONSTRUCTION EXPANSION OF
THE ZUMBROTA VET CLINIC IN ZUMBROTA, MINNESOTA

WHEREAS, the Board of Commissioners of Goodhue County, Minnesota (the "County"), has held a public hearing on June 21, 2016 on the proposed abatement, pursuant to Minnesota Statutes, Sections 469.1812 through and including 469.1815, to assist with the improvement costs associated with the expansion development of the Zumbrota Vet Clinic within the City of Zumbrota, Minnesota; and

WHEREAS, the County Board has proposed to abate up to _____ % per year - \$_____ per year, for a period of up _____ years, up to a maximum total project abatement of \$35,000.00 of the County share of new property taxes generated by development on the following parcel commencing with taxes assessed for 2017 and payable in the year 2018:

Parcel ID # 72.389.0050

Physical Address: 1901 Roscoe Avenue, Zumbrota, MN 55992

Legal description:

WHEREAS, the County Board expects that the public benefits derived by the use of tax abatement to the County to be at least equal to the costs associated with granting the abatement:

WHEREAS, the County Board finds that the proposed abatement is in the best interest of the County and its residents.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners, Goodhue County, Minnesota, as follows:

1 Abatement. The Board of Commissioners hereby authorizes the abatement of up to \$35,000.00 of the County share of property taxes generated by new development on the aforementioned parcel in an amount not to exceed \$_____per year and _____ % of the new taxes per year, for ___ consecutive years commencing with taxes payable in 2018.

2 Purpose. The abatements will be used to assist with the land acquisition and site preparation costs associated with the expansion construction/development of the Zumbrota Vet Clinic within the City of Zumbrota, Goodhue County, Minnesota.

3 Public Benefit. The proposed abatements will benefit the public by:

- a) increasing the property tax base of the County and
- b) providing employment opportunities in the County of up to 2 FTE positions over the next _____ years with a minimum hourly wage of \$15.00 and one veterinarian position with an expected annual salary of \$85,000.00.
- c) additional private investment by the company

4 Documents. County staff is hereby directed to prepare all necessary documents to perfect this Resolution. The Board Chair is hereby authorized to sign said documents.

Commissioner _____ hereby introduced the Resolution. The motion for adoption was duly seconded by
Commissioner _____ and upon a vote being taken thereon, the following voted in favor of adopting the Resolution:

And the following voted against the same:

Whereupon said Resolution was declared duly passed and adopted this 21st day of June, 20016.